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UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Mark-Tex Corporation

v.

La-Co Industries, Inc.

Cancellation No. 27,165

Eliot S. Gerber of Wyatt, Gerber, Meller & O'Rourke,
L.L.P. for Mark-Tex Corporation.

Daniel N. Christus of Wallenstein & Wagner, Ltd. For La-
Co Industries, Inc.

Before Seeherman, Quinn and Chapman, Administrative
Trademark Judges.

Opinion by Seeherman, Administrative Trademark Judge:

Mark-Tex Corporation has petitioned to cancel the
registration of La-Co Industries, Inc. for the mark VALVE
ACTION for "paint filled markers for marking."¹ The
registration issued pursuant to Section 2(f) of the

¹ Registration No. 2,115,435, issued November 25, 1997.

Trademark Act. As grounds for cancellation,² petitioner has alleged that since 1959 it has used the mark VALVE ACTION; that

3. Petitioner's mark "VALVE ACTION MARKER" has become distinctive of the goods (paint filled marking pens) through Petitioner's substantially exclusive and continuous use in commerce for at least five years. Upon information and belief, Registrant used the mark "VALVE ACTION PAINT MARKER" in a descriptive sense, and therefore Petitioner was the exclusive user in commerce of the mark "VALVE ACTION";

that the goods identified in respondent's registration are the same type of goods, paint filled markers for marking, as those sold by petitioner under the mark VALVE ACTION; that respondent's registered mark VALVE ACTION is the same as petitioner's registered mark VALVE ACTION; that

6. Registrant claimed, in the prosecution of the application which issued as Registration 2,115,435, that its use of the mark "VALVE ACTION" was substantially exclusive for at least five years prior to the filing date of a Declaration (May 12, 1997). That statement, made to obtain registration of the same mark "VALVE ACTION", was false because of Petitioner's use of the same mark "VALVE ACTION" in commerce during that five-year period.

² Because there is a dispute as to whether respondent was on notice as to certain grounds for cancellation, we have quoted certain of the allegations in the petition for cancellation. See discussion, infra.

Upon information and belief,
Petitioner's use of the mark during
the said five-year period was known to
Registrant, and known to the Declarant
Daniel J. Kleiman, at the time his
Declaration was made;

that petitioner is the owner of Registration No.
1,551,481 for the mark ACTION MARKER for felt-tip markers
for industrial uses; that respondent's mark VALVE ACTION
so resembles petitioner's registered mark for ACTION
MARKER that, when used in connection with paint filled
marker pens, it is likely to cause confusion or mistake
or to deceive; that petitioner's application for VALVE
ACTION MARKER has been refused registration on the ground
of likelihood of confusion with respondent's
registration; and the respective marks and goods of the
parties are so similar that respondent's mark is likely
to cause confusion with petitioner's previously used
mark.

In its answer respondent has denied the salient
allegations of the petition to cancel, and has asserted,
as affirmative defenses, the doctrines of laches,
estoppel, acquiescence and unclean hands.³ However,

³ Respondent has also made a number of assertions in the
section of its answer titled "Affirmative Defenses," but they
are, in fact, merely an expansion of its denials.

respondent never argued these affirmative defenses in its brief, and we therefore deem them to have been waived.

The case has been fully briefed, but an oral hearing was not requested.

We will first discuss the outstanding objections and motions relating to the record. First, we note that petitioner did not file copies of certain testimony depositions until after respondent pointed out, in its final brief, that it "did not receive notice that Mark-Tex filed the transcripts of these depositions with this Board." Brief, p. 21. Respondent concluded therefrom that the transcripts of the Diagraph Corporation's deposition on written questions and Ideal Corporation's deposition on oral examination were not of record, and that the evidence could not be considered. However, because petitioner has now filed the transcripts, they are of record. See TBMP § 713.11 (If a party which took a deposition discovers that the officer has inadvertently failed to send the certified transcript, with exhibits, to the Board, the party should contact the officer and arrange for the immediate filing of the deposition with the Board.) See also, Trademark Rules 2.124(f) and 2.125(c); and Notice of Proposed Rulemaking, 62 Fed. Reg. 30802, 30809 (June 5, 1997), discussing proposed

amendments to the Trademark Trial and Appeal Board Rules ("it is Board practice to accept transcripts of testimony depositions at any time prior to the rendering of a final decision on the case.")

Respondent has also moved to strike petitioner's deposition upon written questions of Diagraph Corporation because petitioner did not provide proper notice of Diagraph's deposition. Specifically, respondent asserts that petitioner did not provide the name of the officer before whom the deposition was to be taken; did not file a copy of the notice with the Board; and did not serve the subpoena within ten days from the opening date of the testimony period. Respondent had previously objected to this deposition on August 24, 1998, in the context of its response to petitioner's request for an extension of its testimony period, in which respondent consented to such extension. The Board was aware of these objections when it engaged in a telephone conference with the parties on November 23, 1998 in connection with various motions, including a motion to quash. However, in its December 16, 1998 written ruling memorializing the telephone conference, the Board did not allude to the objections, merely noting that the parties had gone forward with

trial dates, and that petitioner's motion to extend trial dates was therefore moot.

Respondent is correct that petitioner did not follow the procedural requirements of Trademark Rule 2.124 for taking a deposition upon written questions. If petitioner had done so, it would not have found itself in the situation it was in, with a need to extend trial dates, because it is the practice of the Board, upon receiving notice of the taking of a deposition by written questions, to suspend proceedings so that the parties have sufficient time in which to complete the deposition upon written questions. See Trademark Rule 2.124(d)(2). However, it is apparent from the Board's December 16, 1998 decision not to address the various procedural objections raised by respondent to the Diagraph Corporation deposition on written questions that the Board did not regard these procedural errors as fatal.

We agree that the objections are merely technical in nature, and petitioner's failure to follow the rules has not resulted in any prejudice to respondent. Trademark Rule 2.123(j) provides, with respect to the effect of errors and irregularities in depositions, that "notice will not be taken of merely formal or technical objections which shall not appear to have wrought a

substantial injury to the party raising them...."

Accordingly, respondent's motion to strike the deposition of Diagraph Corporation is denied.

Respondent has moved to strike petitioner's testimony deposition of Ideal Stencil Machine & Tape Corporation provided by its president, Marco Ziniti. Although respondent states that the ground for its motion is that the deposition was untimely, a reading of the motion papers shows that respondent's real objection is that the deposition constitutes improper rebuttal testimony.⁴ In its moving papers, respondent points out that petitioner originally sought to take Ideal's deposition during its initial testimony period, and that this "establishes that the proper time for taking Ideal's deposition was during Mark-Tex's original testimony period." In response, petitioner asserts that the testimony adduced was to rebut the statements of respondent's witness Kleiman that respondent had exclusive use of VALVE ACTION for the five years

⁴ We note that this testimony deposition had been the subject of a previous motion to quash in which respondent objected both to the adequacy of the notice of deposition, and to the timeliness. The Board, on December 16, 1998, denied the motion with respect to the inadequate notice claim, and recognized that the untimeliness claim was in reality an objection to the testimony being improper rebuttal, noting that it was only at final hearing, after reading the testimony, that the Board could determine whether or not it was improper rebuttal.

preceding the filing of its application, and to rebut his testimony that Ideal's use of VALVE ACTION was in a descriptive manner.

We agree with petitioner that the fact it attempted to take Ideal's deposition during its opening testimony period does not, ipso facto, establish that the deposition constitutes improper rebuttal testimony. That must be ascertained from the testimony adduced. Mr. Ziniti's testimony goes to his own company's use of the term "valve action" in connection with marking pens, as well as his awareness of the use of that term throughout the industry. To the extent that petitioner seeks to use that evidence to demonstrate that Mr. Kleiman's statement in his declaration was false (see Paragraph 6 of the petition to cancel), that is clearly evidence which should have been submitted as part of petitioner's case-in-chief. We also are at a loss to understand petitioner's claim that the evidence was to rebut Mr. Kleiman's characterization that Ideal's use was in a descriptive manner, given that Mr. Ziniti specifically testified that Ideal did not regard VALVE ACTION as one of its trademarks.

Nevertheless, because, as discussed below, the time at which respondent's mark acquired distinctiveness is one of the elements of the priority/likelihood of confusion ground, Mr. Ziniti's testimony is proper rebuttal to any evidence submitted by respondent relating to when its mark acquired distinctiveness. Accordingly, the testimony has been considered solely for this purpose.

Respondent has moved to strike certain exhibits attached to petitioner's appeal brief. We will rule on these exhibits in summary fashion. The objection to Attachment A is overruled. Although it is not evidence which was previously submitted, it purports to be only a summary of invoices which are of record, and petitioner could have made a similar summary in the body of its brief. We will not penalize petitioner for having done so as an attachment to its brief; it is obvious that petitioner was not attempting to subvert the page limitation for its brief. Exhibits 2 and 3 are exhibits from respondent's discovery deposition of George Pappageorge. Neither respondent nor petitioner submitted them under a notice of reliance during their respective testimony periods. See Trademark Rule 2.120(j)(3)(i) and (j)(4). Accordingly, these exhibits were never made of

record, and they have not been considered. Similarly, Attachment E are copies of petitioner's Registrations Nos. 1,551,841 and 2,152,629, which were not properly made of record. Petitioner apparently recognizes the validity of respondent's motion with respect to this exhibit, at least with regard to Registration No. 2,152,629, because it stated, in its response to the motion to strike, that it does not rely on the latter registration. In fact, neither of the registrations were properly made of record, and therefore the motion to strike them is granted. Attachment F is a copy of petitioner's deposition on written questions of Diagraph Corporation and, in view of our denial of respondent's motion to strike said deposition, is of record. Attachment G, a copy of the subpoena to Diagraph Corporation, will not be considered as an exhibit to petitioner's brief, although it is noted that it forms an exhibit to other motion papers in the proceeding, in particular, respondent's own papers.⁵

⁵ Respondent makes the statement in its reply brief in connection with its motion to strike the exhibits that petitioner has failed to file a notice of reliance on the Diagraph deposition, and that Attachments F and G, which relate to that deposition, should be stricken for that reason. Respondent is advised that a deposition on written questions, and indeed any testimony deposition, need not be filed with a notice of reliance during the party's testimony period; the

Thus, the record includes the pleadings, the file of the registration sought to be cancelled; and the testimony depositions, with exhibits, of petitioner's witnesses George Pappageorge, its president;⁶ Anthony Cardarelli, a former employee; the testimony deposition on written questions of Diagraph Corporation; and the rebuttal testimony deposition, with exhibits, of Marco Ziniti, Executive Vice President of Ideal Stencil Machine & Tape Company; and the testimony depositions, with exhibits, of respondent's witnesses Daniel Kleiman, its president, and Thomas Rynberg, its marketing manager.⁷

requirement is that the deposition be taken during the relevant testimony period.

⁶ It should be noted that during his testimony Mr. Pappageorge referred to certain of respondent's exhibits which apparently were introduced during a discovery deposition taken by respondent. Petitioner has also referred to these exhibits, e.g., Respondent's exhibits 2, and 3, in its brief. These exhibits were never made of record, see discussion infra, and therefore have not been considered.

⁷ It is noted that the depositions of Messrs. Pappageorge, Cardarelli, and Kleiman have been marked "confidential--under protective order." It is obvious that not all of the information contained in these depositions is actually confidential material. Board proceedings are open to the public, and only information which is truly confidential should be filed under seal. Accordingly, the parties are allowed thirty days from the date of this decision in which to file a copy of any transcripts which contains confidential material, with only the confidential information redacted, and to specify those exhibits which contain information which is actually considered confidential. If the parties do not submit redacted versions of the depositions and indicate the specific exhibits which contain truly confidential material, the depositions and exhibits which were previously submitted will be made available for public inspection.

Respondent has submitted, under a notice of reliance, portions of a discovery deposition of George Pappageorge, including one exhibit thereto; petitioner's responses to respondent's first set of requests for admission; and petitioner's responses to two of respondent's interrogatories. Subsequent to final briefing petitioner also submitted the entire transcript of the discovery deposition of George Pappageorge, petitioner's president, which had been taken by respondent. As indicated above, respondent submitted part of this deposition by notice of reliance, and therefore petitioner, pursuant to Trademark Rule 2.120(j)(4), could have submitted any other part of the deposition "which should in fairness be considered so as to make not misleading what was offered by the submitting party." However, to make of record the discovery deposition under this rule, petitioner would have had to submit it during its (rebuttal) testimony period under a notice of reliance, supported by a written statement explaining why it needed to rely upon each part of the

Further, we would point out that if we were to treat all of the depositions as confidential it would be impossible to even recite what the record shows. Accordingly, we have discussed that part of the evidence which appears clearly to be non-confidential.

deposition. Because the submission of the discovery deposition was manifestly untimely, and not in accordance with Trademark Rule 2.120(j)(4), it has not been considered.

In petitioner's trial brief it states the issues as 1) whether respondent has proven that its mark VALVE ACTION has acquired distinctiveness when the same mark was used for the same goods by other companies both before respondent's use and during the period 1991-1996; 2) whether petitioner had priority of use of the same mark VALVE ACTION for the same type of goods; and 3) whether petitioner had prior use of the mark ACTION MARKER and whether respondent's mark VALVE ACTION PAINT MARKER, the mark actually used by respondent, is confusingly similar to petitioner's mark.

Respondent, however, in its trial brief, stated that petitioner argued in its brief grounds for cancellation which were not raised in its petition for cancellation. Respondent characterized the pleaded grounds as 1) a likelihood of confusion between respondent's use of VALVE ACTION and petitioner's use of that term, with petitioner alleging priority of use; 2) that respondent had filed a false declaration regarding its exclusive use of the mark during the prosecution of the application which issued

into the registration which is the subject of this proceeding; and 3) a likelihood of confusion between respondent's mark VALVE ACTION and petitioner's Registration No. 1,551,841 for ACTION MARKER and Design for felt-tip markers for industrial uses. Respondent asserted that petitioner was now asserting additional grounds for cancellation, namely, a second registration, No. 2,152,629 for ACTION MARKER for marking pens using a valve to ink the nib; and that respondent did not and cannot establish secondary meaning in the mark VALVE ACTION. Respondent argued that because these grounds were not raised in the petition for cancellation, petitioner cannot raise them for the first time in its brief.

Petitioner thereupon filed a motion to amend the pleadings to conform to the evidence, pursuant to Fed. R. Civ. P. 15(b). It seeks, by this motion, to add allegations that respondent did not and cannot establish secondary meaning in the mark VALVE ACTION due to prior and contemporary usage by others of VALVE ACTION as a trademark on markers; and that respondent did not have substantially exclusive and continuous use of the mark VALVE ACTION on markers for five years before its claim of distinctiveness was made because of such usage by

others and that VALVE ACTION is not distinctive of respondent's goods under Section 2(f).

We agree with respondent that petitioner never pleaded a ground of likelihood of confusion with respect to petitioner's Registration No. 2,152,629 for ACTION MARKER. Nor was this issue tried; the first reference to the registration was in petitioner's brief. Petitioner apparently concedes that the issue of likelihood of confusion with respect to this registration was never tried, because petitioner has not sought to include such a claim in its motion to amend.

We agree with respondent that petitioner's original pleading did not set forth a claim that respondent's mark was merely descriptive, and had not acquired distinctiveness, so as to put respondent on notice that this was one of petitioner's grounds for seeking cancellation of the registration. Petitioner argues, in both its motion and its reply brief in support of its motion, that paragraph 6 of the petition, to wit, the allegation that the Kleiman declaration was false because it stated that respondent's "use of the mark 'VALVE ACTION' was substantially exclusive for at least five years prior to the date of the Declaration (May 12, 1997)" was a "clear notice that [respondent's] claim of

secondary meaning was being attacked." Reply brief, p. 2. We do not agree. Rather, the clear meaning of this paragraph was that petitioner was alleging that respondent had made a false statement in order to obtain its registration, and that the falsity of the statement was that respondent's use of the mark was not substantially exclusive in view of petitioner's use of the same mark during that period. We also note that the declaration which was submitted during the prosecution of respondent's application included, in addition to the claim of substantially exclusive and continuous use, evidence of acquired distinctiveness in terms of sales and advertising information. Petitioner made no reference to these statements, thereby reinforcing the conclusion that its allegation went solely to the falsity of the claim of exclusive use, and not to the declaration or assertion of acquired distinctiveness as a whole.

Nor is petitioner's allegation in the petition that respondent "used the mark VALVE ACTION in a descriptive sense" (paragraph 3) adequate to apprise respondent that mere descriptiveness/lack of acquired distinctiveness was being raised as a ground for cancellation. Petitioner made this statement in connection with its assertion that VALVE ACTION MARKER had become distinctive as a mark for

petitioner's goods through petitioner's substantially exclusive use, and appears as an explanation as to how petitioner can claim that it is the exclusive user in commerce of the mark VALVE ACTION. Thus, a fair reading of this paragraph indicates that it was part of petitioner's claim of likelihood of confusion, i.e., that it had acquired proprietary trademark rights in VALVE ACTION for paint filled marking pens and that respondent's use of the same mark was likely to cause confusion. It must be remembered that the term "valve action" per se has been acknowledged by both parties as being merely descriptive, petitioner in its pleading and respondent through its registration of the mark pursuant to Section 2(f). Therefore, in order to prevail on a claim of likelihood of confusion, it was incumbent on petitioner to prove that its "mark" VALVE ACTION had acquired distinctiveness prior to respondent's "mark" having acquired distinctiveness. Petitioner's reference to respondent's descriptive use of "valve action" in paragraph 3, coming as it does between other allegations going to the ground of priority and likelihood of confusion, and in the same paragraph with petitioner's claim that its mark had acquired distinctiveness, would reasonably be read as a part of petitioner's

priority/likelihood of confusion ground, not as a separate ground that respondent's mark should be cancelled because it is merely descriptive, and had not acquired distinctiveness.

The onus is on petitioner to state its claims in a manner which gives clear notice to respondent as to what grounds for cancellation are being asserted against it. In this connection, we note that petitioner's pleading in general is not particularly clear. For example, it asserts, in paragraph 1, that it has used the mark VALVE ACTION since 1959, but never, in this paragraph, indicates on what goods the mark is used. In paragraphs 1 and 2 it refers to its mark as VALVE ACTION, although in the first part of paragraph 3, it states its mark is VALVE ACTION MARKER, and then in the last sentence of that paragraph it reverts to calling its mark VALVE ACTION. It also, in paragraph 5, states that its mark VALVE ACTION is registered, but never gave any information about this registration, nor did it make such a registration of record. It appears that this reference was in error, because in paragraph 7 of the pleading petitioner refers to its registration for ACTION MARKER, and in paragraph 9 it states that its application for VALVE ACTION MARKER has been refused registration.

The question we must consider, then, is whether the issue of the mere descriptiveness/acquired distinctiveness of respondent's mark was actually tried by the parties, such that we can deem the pleadings to have been amended to include this ground. We find that such an issue was not tried. As noted above, when a party claiming use of a term which is on its face merely descriptive seeks to cancel on the ground of likelihood of confusion a registration for a mark which would be merely descriptive but for acquired distinctiveness, the plaintiff must prove that its mark has acquired distinctiveness prior to the registrant's mark having acquired distinctiveness. **Perma Ceram Enterprises Inc. v. Preco Industries, Ltd.**, 23 USPQ2d 1134 (TTAB 1992). Therefore, any testimony regarding the issue of acquired distinctiveness of either party's mark could reasonably have been viewed by respondent as going toward the issue of priority, and not to a separate ground that respondent's mark should be cancelled because it was merely descriptive and had not acquired distinctiveness. Further, any evidence regarding the use by third parties of the term VALVE ACTION could have reasonably been viewed by respondent as going to the claim that respondent had made a false statement in the declaration

which was filed during the prosecution of its application.

Accordingly, we do not deem the parties to have tried the issue of whether respondent's mark should be cancelled on the ground that it is merely descriptive and has not acquired distinctiveness. Petitioner's motion to amend the pleadings is denied.

Further, because petitioner did not argue or otherwise refer to the issue of respondent's alleged misstatement/
fraud in its brief on the case, that ground for cancellation is deemed waived.⁸

The issues before us, then, are whether petitioner has proved its claim of likelihood of confusion with respect to its asserted common law mark VALVE ACTION; and whether petitioner has proved its claim of likelihood of confusion with respect to its registered mark ACTION MARKER and design for felt-tip markers for industrial uses (Registration No. 1,551,841).

We turn first to the question of likelihood of confusion with respect to petitioner's asserted mark VALVE ACTION. In order to establish its priority with respect to this mark, petitioner must prove that it had

acquired distinctiveness in this admittedly merely descriptive term prior to the time that respondent had acquired distinctiveness in its mark.

The record shows that since at least 1959 petitioner has used on the back of its markers a circular design that includes the words VALVE ACTION under the words PRECISION SEAL (hereafter CIRCLE DESIGN).⁹ A representation of the front and back of the marker is shown below. During the past 40 years petitioner has sold between 500,000 and 1.8 million of these pens each year.¹⁰ A great percentage of its sales were made as private label products using various companies' brand names. However, although they do not carry petitioner's trademark ACTION MARKER, these private label markers do have the CIRCLE DESIGN on the barrels.¹¹

⁸ In any event, the evidence adduced during trial is insufficient to prove fraud.

⁹ There is some inconsistency in the testimony. In his direct testimony Mr. Pappageorge stated that his company had used VALVE ACTION in this manner since the mid-50's. During cross-examination he stated that the CIRCLE DESIGN has been used since 1959. Whether or not the use began in 1959 or a few years earlier does not affect our decision herein.

¹⁰ As noted previously, much of the testimony has been filed under seal. Although we believe that much of the information is not truly confidential, we have taken pains not to reveal sales and advertising figures, unless petitioner indicated such figures in its brief.

¹¹ Again, without going into specific numbers, we note that in one portion of Mr. Pappageorge's testimony he says his company sold at least "x" number of CIRCLE DESIGN markers a year, and at another point he states that this same number "x" was sold as a

Petitioner has also sold, since 1986, a nontoxic marker (used by food companies) which carries the words VALVE ACTION, hereafter the LINE DESIGN, as shown below:¹² Petitioner sells at least 10,000 of such markers each year.

In 1973 petitioner began selling its SCOUR-OUT COLOR marker, which is used in the textile industry, and it sells at least 20,000 of these markers per year. This marker contains, on its back, the words VALVE ACTION in a block with line drawings of markers (hereafter BLOCK

private label product to a particular company from 1960 or 61 until 1987.

¹² There is some inconsistency in Mr. Pappageorge's testimony in that, although during direct testimony he stated that the term VALVE ACTION was used on the NO-TOX marker starting in 1986, during cross-examination he said that "probably they used it before then, 1957 and 1958." p. 62. Mr. Cardarelli stated that it would have been used at the same time as the BLOCK DESIGN, which he said was the mid-eighties at the latest. In its brief petitioner states that it began using this line format in 1986, and therefore we have treated this date as the correct one.

DESIGN), as shown below:¹³ Petitioner uses this BLOCK MARK on other markers as well, including on markers that it private labels, e.g., carrying the customer's name, for many other companies.

Interestingly, petitioner also produced private-labeled markers for respondent from 1984 until the beginning of 1988. An invoice for such an order identifies the product as "DECORATED TUBES FOR #80 HEAVY DUTY MARKER {Mark-Tex's #44 valve action marker}"; respondent supplied the tube casings bearing the artwork, and petitioner would fill them with ink.

Although petitioner began selling markers bearing the CIRCLE DESIGN in the late 1950's, Mr. Pappageorge testified that at that time there was not the large market for them that there is today. Petitioner did not promote them until years later. The only evidence regarding such promotion is a 1997 catalog which is directed to industry and retailers, but not to the

¹³ Again, there is some question as to the exact date this BLOCK DESIGN was used; Mr. Cardarelli testified that "it would have to be at the latest, mid-eighties, I would say." p. 6.

general public. There is no evidence as to the number of catalogs that were distributed.

As noted previously, in order to prevail on its likelihood of confusion ground with respect to its claimed common law mark VALVE ACTION, petitioner must first demonstrate that this term is distinctive. **Towers v. Advent Software Inc.**, 913 F.2d 942, 16 USPQ2d 1039 (Fed. Cir. 1990); **Shalom Children's Wear Inc. v. In-Wear A/S**, 26 USPQ2d 1516 (TTAB 1993). Further, also as previously noted, VALVE ACTION is not inherently distinctive, and therefore petitioner must show that the term has acquired distinctiveness as its trademark. The evidence necessary to show acquired distinctiveness depends on how descriptive the term is; that is, the more descriptive the term, the greater the evidentiary burden to establish secondary meaning. See, **Yamaha International Corporation v. Hoshino Gakki Co., Ltd.**, 840 F.2d 1572, 6 USPQ2d 1001 (Fed. Cir. 1988).

In this case, the evidence shows that VALVE ACTION is a highly descriptive term for markers. Petitioner itself acknowledges that there is widespread use of the term in the industry. In fact, petitioner states in its brief that its "primary position is that no one, including LA-CO, could establish secondary meaning in

VALVE ACTION because of the industry's widespread use of that term." p. 13. Moreover, Marco Ziniti, the executive vice president of Ideal Stencil Machine & Tape Co., testified that the term VALVE ACTION is used extensively throughout the marker industry, including uses by Ideal, Diagraph, the Tempil Division of Air Liquide America, and McMaster-Carr Supply Co. Ideal has used the term since 1981. The testimony of Diagraph Corporation shows that it has used VALVE ACTION on markers since 1958.

Petitioner also uses VALVE ACTION descriptively in its catalogs. For example, on the table of contents page is the following statement, under the headline "Mark-Tex's Patented Technology":

THE VALVE-ACTION MECHANISM
Mark-Tex's ingenious valve-action, ink-feed mechanism supplies only as much ink needed to complete the marking job. A felt or nylon tip is secured tightly at the tip of the marker body. Resting on a firm aluminum spring, that draws ink upon the normal pressure applied when writing. [sic] As a result, ink is only called upon as you write. So, you'll never have to worry about messy excess or limited ink flow. The tips are replaceable and easily interchanged by sliding out the old one and slipping in the new.

Further, the sections featuring petitioner's ACTION MARKER pens, and headlined VALVE ACTION FIBER INK

MARKERS, state, as the first sentence of the copy, "These valve-action fiber-tip marking pens write on smooth steel surfaces."

In view of the highly descriptive nature of the term, we find that petitioner has not met its burden of demonstrating that VALVE ACTION has achieved acquired distinctiveness as a trademark. Although petitioner has used the term VALVE ACTION for many years, and has sold literally millions of markers bearing the term during that time, length of use and sales are not, per se, sufficient to demonstrate that a term has acquired distinctiveness as a trademark. "The enjoyment of substantial sales reflects the success of the product and not necessarily recognition of the term used in connection therewith as a trademark." **Hershey Foods Corporation v. Cerreta**, 195 USPQ 246, 254 (TTAB 1977). The manner in which the asserted mark is used must be considered in determining whether the term appears as a trademark; if it does not, the length of use and number of sales cannot make a nontrademark usage into a trademark.

Petitioner's use of the term VALVE ACTION on its markers would not be perceived by consumers as trademark use. Rather, the words VALVE ACTION, in the LINE and

CIRCLE DESIGNS, would be perceived as merely informational statements, advising consumers that the marker has a valve action. The BLOCK DESIGN is, if anything, even more informational, since in it the words VALVE ACTION describe the function which is pictured in the design.

Because of the manner in which the words VALVE ACTION are displayed on petitioner's markers, the years of use and the numbers sold are insufficient to create in the minds of those consumers a recognition that VALVE ACTION is a trademark of petitioner's. Indeed, the record is devoid of any direct evidence from consumers regarding their perceptions. It must also be remembered that petitioner's markers are very low-cost products, and are not likely to be the subject of intense scrutiny by which consumers would analyze all of the information provided thereon, particularly on the back of the marker, in an attempt to ascertain whether the descriptive words VALVE ACTION were being used by petitioner as a trademark.

Nor has petitioner provided any evidence that it has promoted any of its VALVE ACTION designs as a trademark. As noted, the only evidence of advertising is a 1997 catalog which shows the descriptive significance of VALVE

ACTION. Further, although the markers are pictured in the catalog, it is the front of the markers which are shown, and therefore the SEAL DESIGN and the BLOCK DESIGN are not visible. The words VALVE ACTION do appear on the front of the pictured NO-TOX marker, but the copy used with this item, "Patent **valve-activated** ink-feed mechanism" (bold-face type in original) merely emphasize the descriptive nature of the words.

We have noted the testimony of petitioner's president, Mr. Pappageorge, that "years ago" "in the early sixties and seventies", p. 57, petitioner indicated in its literature that VALVE ACTION was one of petitioner's trademarks by including an "R" or a "TM". Mr. Pappageorge's testimony on this point was somewhat vague.¹⁴ He never produced any copies of such literature,

¹⁴ The following quotes from the transcript give some idea of the vagueness of the testimony:

Q: When did you obtain a federally registered registration on Valve Acton?

A: Because we were using it for so many years, we had patents, we had patents on all these valves, and they ran out, they expired.

Q: You used circle R on Valve Action?

A: We did in the sixties, with the patents. People that had the company before me.

Q: You never obtain [sic] a federal registration on Valve Action?

A: I wasn't the president of the company.

Q: That's not my question. Did Mark-Tex---

A: Maybe they did. I've never seen it.

Q: You don't know of one?

A: No, I don't know of one, but they may have done it.

despite respondent's request that he do so. Without any documentary evidence we cannot conclude from Mr. Pappageorge's personal recollection of seeing an "R" or a "TM" on literature that such symbols were used in a manner that would have advised consumers that VALVE ACTION was a trademark of petitioner's. Further, petitioner has provided no evidence as to the distribution of any such literature to purchasers, such that we can make any determination as to its impact. Moreover, even if we were to accept Mr. Pappageorge's statements, according to his own testimony the use of the "R" or "TM" ended many years ago.

The evidence also shows that petitioner allows the use of its CIRCLE DESIGN and BLOCK DESIGN on markers that it private labels for others. The table at page 21 of petitioner's brief summarizes these usages, which includes 600,000 markers per year which it private labeled for MDC Development Corp. between 1961 and 1987, and 180,000 markers which it private labeled for Sulky of America between 1988 and the taking of testimony in 1998. Such a practice has been found, in other cases, to detract from the distinctiveness of a party's asserted trademark. See **British Seagull Ltd. v. Brunswick Corp.**,

28 USPQ2d 1197 (TTAB 1993), aff'd. 35 F.3d 1527, 32 USPQ2d 1120 (Fed. Cir. 1999) (party's action in producing products bearing the asserted mark, sold by a competitor without any reference to the party as the manufacturer of them, is contrary to party's claim of substantially exclusive use); **Edward Weck Inc. V. IM Inc.**, 17 USPQ2d 1142 (TTAB 1990) (third parties selling as their own some of party's instruments detracts from the alleged distinctiveness of the party's claimed trademark).

Accordingly, we find that petitioner has not demonstrated that it has acquired any proprietary trademark rights in the words VALVE ACTION. As a result, it has not proven a necessary element of its claim of priority, and we therefore need not consider whether or when respondent may have acquired distinctiveness for its mark.¹⁵

¹⁵ We note that it is petitioner's position that no one can establish secondary meaning in VALVE ACTION but that, if respondent is able to establish acquired distinctiveness by its use of the term, petitioner can establish priority of use based on its own sales of markers. Petitioner's analysis is incorrect. Because the issue of cancellation on the ground that respondent's mark is merely descriptive and has not acquired distinctiveness is not before us, petitioner must first establish, in connection with its ground of likelihood of confusion, that it has proprietary trademark rights in VALVE ACTION before we need to consider whether or when respondent established acquired distinctiveness of its mark.

The petition for cancellation on the ground that respondent's mark is likely to cause confusion with petitioner's alleged mark VALVE ACTION is dismissed.

However, we wish to point out that because the issue of whether respondent's mark is merely descriptive and has not acquired distinctiveness is not a ground in this cancellation proceeding, we have specifically not considered this question. Accordingly, our decision herein should not be read as indicating that we have found respondent's mark to have acquired distinctiveness, nor as an indication that we would make such a finding if a third party were to bring a cancellation action on this ground.

This brings us to the second ground for cancellation, likelihood of confusion with petitioner's registered mark ACTION MARKER and design for felt-tip markers for industrial uses (Registration No. 1,552,841). As pointed out by respondent in its brief, petitioner failed to make this registration of record. The testimony of Mr. Pappageorge, pointed to by petitioner as providing notice to respondent of its registration, is not sufficient to constitute appropriate identification and introduction of the alleged registration.¹⁶ No status

¹⁶ The testimony, p. 6, is as follows:

and title copies of the registration were submitted, nor did the witness even identify the registration by number or state that the registration was currently owned by petitioner or that the registration was currently existing. Therefore, petitioner cannot rely on any rights in this registration.

Petitioner has, in its brief, indicated that it also relies on its common law rights in the mark ACTION MARKER, and we agree that the issue of likelihood of confusion with respect to this mark was tried. The record shows that petitioner has used the mark ACTION MARKER and design, in the form shown below, since 1959.¹⁷

Q: Just read, Mr. Pappageorge, the names which you consider to be trademarks from the pen.

A: Sure. Action marker is a registered trademark, number 55. Action marker number 55 is a registered trademark. ...

¹⁷ We note that in petitioner's catalog petitioner also uses the mark ACTION MARKER in both block letters and in lower case letters. However, the evidence is not clear as to when petitioner began using the mark in these forms because the testimony relating to this point was directed to petitioner's use of VALVE ACTION, not of ACTION MARKER at all. Therefore, we have had to determine from the VALVE ACTION testimony whether it establishes use of ACTION MARKER as well. Because Mr. Pappageorge indicated that art work for the markers changed through the years, the evidence clearly establishes only prior and continuing use of ACTION MARKER and design, as shown above. However, even if we were to find that petitioner had prior rights in ACTION MARKER in all-capital or all lower-case letters, it would not change our decision herein.

The marker is sold as both a dye-based pen and a pigmented ink pen. The invoices made of record by petitioner show that ACTION MARKER pens have been sold in many states throughout the United States, including North Carolina, New York, Illinois, Wisconsin, Colorado and Texas. There was no specific testimony about the types of consumers for petitioner's markers, but its catalog describes petitioner as "the world leader in industrial marking pens," and the catalog lists the ACTION MARKER markers in the "industrial" category. Petitioner's invoices show sales to tool manufacturing companies, industrial shippers, and the like;¹⁸ there were no listings for retail-type stores. Based on the evidence of record, we must conclude that petitioner's common law rights in ACTION MARKER are limited to markers for industrial use. With respect to petitioner's advertising, although Mr. Pappageorge alluded to some promotional literature from the 1960s and 1970s, the only material which has been made of record is the previously mentioned 1997 catalog. Petitioner has not provided any evidence as to its advertising expenditures nor, with the exception of the submission of the 1997 catalog, any

details as to how its ACTION MARKER markers are advertised or promoted.

Respondent first introduced its VALVE ACTION paint marker in 1984, and has continuously used its mark VALVE ACTION since that time. It advertises the marker through, inter alia, advertisements in trade journals, at trade shows, through price sheets and through product bulletins which are used to promote the product to end users and distributors.¹⁹

Accordingly, petitioner has demonstrated its prior use of ACTION MARKER on markers.

Turning to the issue of likelihood of confusion, we have, as we must, considered all of the relevant factors, as set forth in **In re E.I. du Pont de Nemours & Co.**,⁴⁷⁶ F.2d 1357, 177 USPQ 563 (CCPA 1976), in reaching our decision. However, we will focus our discussion on the factors discussed by petitioner in its brief.

There is no question that the parties' goods are identical. The evidence shows that petitioner's markers and respondent's identified "paint filled markers for marking" are the same product. Further, respondent's

¹⁸ Because the invoices were filed under seal, we have been deliberately vague in our descriptions of the purchasers.

¹⁹ We have not indicated advertising or sales figures in this opinion because they were submitted under seal.

identification is not limited as to classes of consumers or channels of trade, and therefore we must deem the parties' goods to travel in the same channels of trade and be sold to the same classes of customers. Moreover, the evidence shows that the parties have both appeared at the same trade show and were both listed in the directory program under the heading "markers." Finally, there is no question that these markers are inexpensive items.

Although all of the above factors favor petitioner, the factor which does not is the similarity of the marks. Petitioner argues, essentially, that the word MARKER in its mark is a generic term, and the word VALVE in respondent's mark is merely descriptive, such that the dominant parts of the mark are the identical word ACTION. Although it is well established that, in comparing marks, more or less weight may be given to particular elements, petitioner's position would amount to an impermissible dissection of the marks. The marks are clearly different in appearance and pronunciation because the initial word in respondent's mark is the word VALVE. And the marks are clearly different in connotation. In VALVE ACTION, the word VALVE modifies the word ACTION, so that the meaning of this phrase, when applied to a marker, is a

marker which has a valve action. In petitioner's mark, on the other hand, the word ACTION modifies the word MARKER, such that the connotation of the mark is that of a marker which moves easily. This connotation is reinforced by the depiction of the mark, using "movement" lines which suggest that the words are moving. Thus, when the marks are compared in their entireties, they convey very different commercial impressions.

We have also considered petitioner's argument that respondent has merely added the descriptive term VALVE to petitioner's mark ACTION MARKER (petitioner viewing respondent's mark as the equivalent of VALVE ACTION MARKER). Although petitioner is correct that there are cases stating that one may not appropriate the entire mark of another as part of a composite mark, that rule generally applies to the addition of a trade name of house mark. See **Key West Fragrance & Cosmetic Factory, Inc. v. Mennen Co.**, 216 USPQ 168 (TTAB 1982). However, that rule does not apply where a word comprising a mark is combined with other features in a new mark in such a manner that its identity is lost, or is so merged with other features that similarity in sound, appearance or meaning is lacking. See **Miller Brewing Co. v. Premier Beverages, Inc.**, 210 USPQ 43, 48 (TTAB 1981) (OL' BOB

MILLER distinguishable from MILLER), quoting **Wyeth Incorporated v. Ingram Laboratories, Inc.**, 83 USPQ 326 (Comm. 1949). For the reasons given above, we find that VALVE ACTION creates a different commercial impression from ACTION MARKER, and the two marks would not be equated.

Despite the similarities of the goods, trade channels and consumers, and their inexpensive nature, we find that the marks are so different that confusion is not likely to result from their contemporaneous use. See **Kellogg Co. v. Pack'em Enterprises Inc.**, 951 F.2d 330, 21 USPQ2d 1142 (Fed. Cir. 1991) (a single Du Pont factor may be dispositive). Buttressing our conclusion is the fact that in the 14 years that both parties used their marks, and despite hundreds of thousands of markers sold, no instances of actual confusion have been experienced by either party.

We would also point out that, although not raised by petitioner, there has been no showing of fame of its mark, and therefore this factor does not weigh in petitioner's favor.

The petition on the ground that respondent's mark is likely to cause confusion with petitioner's mark ACTION MARKER and design is dismissed.

Cancellation No. 27,165

Decision: The petition for cancellation is
dismissed.

E. J. Seeherman

T. J. Quinn

B. A. Chapman
Administrative Trademark Judges
Trademark Trial and Appeal Board